

**Spending Cap Amendment - DISCUSSION DRAFT**

**ARTICLE XXVIII.**

Article third of the constitution is amended by adding section 18 as follows:

Sec. 18 a. The amount of general budget expenditures authorized for any fiscal year shall not exceed the estimated amount of revenue for such fiscal year.

b. On or before July 15th, annually, the Secretary of the Office of Policy and Management and the director of the legislative Office of Fiscal Analysis shall each submit to the joint standing committees of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies and finance, revenue and bonding a consensus calculation of the percentage increase in personal income and the percentage increase in inflation for the previous fiscal year.

c. The general assembly shall not authorize an increase in general budget expenditures for any fiscal year above the amount of general budget expenditures authorized for the previous fiscal year by a percentage which exceeds the greater of the consensus calculation of the percentage increase in personal income or the consensus calculation of the percentage increase in inflation, unless the governor declares an emergency or the existence of extraordinary circumstances and at least three-quarters of the members of each house of the general assembly vote to exceed such limit for the purposes of such emergency or extraordinary circumstances.

d. No later than April 15, 2017 the general assembly shall by law define "increase in personal income", "increase in inflation" and "general budget expenditures" for the purposes of this section and may amend such definitions, from time to time, provided general budget expenditures shall include expenditures to fund state retiree pension and health care benefits and shall not include expenditures for the payment of bonds, notes or other evidences of indebtedness. The enactment or amendment of such definitions shall require the vote of three-quarters of the members of each house of the general assembly.

e. As used in this section, "general budget expenditures" means expenditures from appropriated funds authorized by public or special act of the General Assembly, provided general budget expenditures shall not include (1) expenditures for payment of the principal of and interest on bonds, notes or other evidences of indebtedness, expenditures pursuant to section 4-30a, or current or increased expenditures for statutory grants to distressed municipalities, provided such grants are in effect on July 1, 1991, and (2) expenditures for the implementation of federal mandates or court orders shall not be considered general budget expenditures for the first fiscal year in which such expenditures are authorized, but shall be considered general budget expenditures for such year for the purposes of determining general budget expenditures for the ensuing fiscal year. As used in this section, "federal mandates" means those programs or services in which the state must participate, or in which the state participated on July 1, 1991, and in which the state must meet federal entitlement and eligibility criteria in order to receive federal reimbursement, provide expenditures for program or service components which are optional under federal law or regulation shall be considered general budget expenditures.

f. Any unappropriated surplus shall be used to fund a budget reserve fund or for the reduction of bonded indebtedness; or for any other purpose authorized by at least three-quarters of the members of each house of the general assembly. Any use of the budget reserve fund other than the reduction of bonded indebtedness shall require the vote of three-quarters of the members of each house of the general assembly.

g. Original jurisdiction is vested in the supreme court to be exercised on the petition of any registered voter of Connecticut whereby said court may compel the general assembly, by mandamus or otherwise, to perform its duty to define "increase in personal income", "increase in inflation" and "general budget expenditures" for the purposes of this section. Said court may take such other action to effectuate the purposes of this article, including the establishing of definitions of "increase in personal income", "increase in inflation" and "general budget expenditures" if the general assembly fails to define "increase in personal income", "increase in inflation" and "general budget expenditures" by the fifteenth day of April 15, 2017. Any such petition shall be filed within thirty days of the date specified. The Supreme Court shall render its decision not later than thirty days following the filing of such petition. Upon receiving such decision the secretary shall publish the same forthwith, and, upon publication, such definitions of "increase in personal income", "increase in inflation" and "general budget expenditures" shall have the full force of law.